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MEMORANDUM

To: Honorable Members of the House Committee on Regulatory Reform

From: Andy Deloney
Director, Public Affairs

Date: June 28, 2005

Re: House Bill 4706 (Kooiman): Extended Hours Permit

I write to express our support for House Bill 4706.

This bill would allow restaurants or clubs that have liquor licenses to stay open past 2 a.m. for entertainment purposes, and only if certain conditions were met. Establishments wishing to stay open would have to apply for a newly-created extended hours permit. Under current law, a licensed establishment is able to serve alcohol until 2 a.m., and must have any patrons (excluding staff and management) out of the premises by 2:30 a.m. The only exception to this rule is if the establishment has received a specific purpose permit that allows them to serve food from the Michigan Liquor Control Commission. Otherwise, everyone who is not affiliated with the establishment must vacate. All other activities, including dancing and live musical performances, are expressly prohibited after 2 a.m.

HB 4706 would allow licensed establishments to apply for an extended hours permit from the MLCC. Assuming it met all prescribed conditions, the establishment could then stay open past 2 a.m. Included in the legislation are the following conditions:

- The establishment must obtain both local legislative and police approval.
- The MLCC must also approve the application.

There are also a number of restrictions in the bill which would prevent certain activities from occurring on the premises after 2 a.m. These restrictions are:

- **The establishment cannot sell or provide alcoholic beverages past 2 a.m.;**
- No topless activity can take place on the premises;
- Gambling of any kind cannot occur after 2 a.m., including the Lottery's Club Games.
- No consumption of alcohol could take place after 2:30 a.m.—consistent with current law.

This bill would allow restaurants and clubs to accommodate those guests who wish to consume food and non-alcoholic beverages and enjoy entertainment after the close of alcohol sales. No municipality would be forced to allow a restaurant or club the ability to stay open—if they do not wish to give approval to the permit, they have the ability to deny the application to the MLCC.

We respectfully request your support of HB 4706, and we thank you for your support of Michigan's hospitality industry.

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